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March 31, 2014

Mr. Rodney Reynolds
Mr. Dana Wreath
Beren Corporation
2020 N. Bramblewood Street
Wichita, KS 67206

RE: Remediation of Colorado Oil and Gas Locations
Scott, Pit Facility #109554, Rem #7367
Wright DM-1, API #121-05259, Rem #7368
Cook 1X, API #121-09791, Rem #7410

Dear Mr. Reynolds and Mr. Wreath:

I am counsel for the Colorado Oil and Gas Conservation Commission ("COGCC") Enforcement Staff ("Staff"), and am writing you with regards to three remediation sites for which Beren is responsible in Colorado. Beren is delinquent in its remediation compliance, as detailed below.

As you may recall, Beren filed Site Investigation and Remediation Workplans, Form 27s, for each of these three sites, in December 2012, which were approved in January 2013. Beren did not actually begin the land treatment of oily waste at each location until July 2013. Staff approved each of the remediation projects with a number of conditions of approval. One of those is to sample semi-annually in the same locations, to determine the progress of biodegradation of hydrocarbons over time. Another is to file a report on this progress via a Sundry Notice Form 4, status update.

In Commission Order No. IV-435, Beren committed to full and timely compliance for the remediation of its Colorado properties in exchange for the Colorado Oil and Gas Conservation Commission suspending \$50,000 of a \$100,000 penalty. However, nearly nine months after commencing remediation, Beren has not filed a status update for any of the locations. In addition, Beren submitted a Form 6 "Intent to Abandon" for the Cook 1-X, which Staff approved July 19, 2012.

The well was abandoned, but Beren has never submitted the follow-up Form 6 "Subsequent Report of Abandonment." Finally, in Commission Order No. IV-435, Beren committed to providing a specific training to employees, and providing Staff and subcontractors a copy of the written training materials. (Agreement, Section IV). To date, Staff has not received these materials, or any proof that Beren provided the specific training to its employees on COGCC spill reporting, spill remediation, E & P waste management and good housekeeping practices.

As a result of these delinquencies, Staff is requiring Beren to perform the following actions:

1. No later than **April 30, 2014**, submit a progress report for each location with the following information.
 - Total volume of soil being land treated on site.
 - Total volume and type of amendments incorporated into oily waste and dates of incorporation.
 - Total volume and type of microbes incorporated and dates of incorporation.
 - Dates that maintenance was performed at each location to aerate and moisturize oily waste.
 - Sample location diagram, summary of sample results and laboratory report for samples collected during fall 2013.
 - Sample location diagram, summary of sample results and laboratory report for samples collected during spring 2014. If samples have not been collected this year, immediately collect the required samples and provide results in the April 30th progress report.
 - Verify that routine maintenance of stormwater controls is being performed.
 - Submit the required progress reports via Form 4 Sundry Notice with a reference to each remediation project number.
2. No later than **April 15, 2014**, submit a Subsequent Report of Abandonment indicating the actual work completed. Attachments required with this Subsequent Report include a wellbore diagram showing plugs that were set, the casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

3. No later than May 15, 2014, comply with Section IV of the Agreement section of Commission Order No. IV-435.

Staff's approval of Beren's Form 27s for each of these sites is conditional. Staff will rescind its approval for landfarming this oily soil if Beren fails to meet its deadlines, and will instead require immediate off-site disposal of this soil at an approved commercial disposal facility, followed by final reclamation of the sites.

If you have any questions, please contact John Axelson, East Environmental Supervisor (303-894-2100, ext. 5115) or myself.

Sincerely,

FOR THE ATTORNEY GENERAL



Mari Deminski, Atty. No. 34582
Asst. Attorney General

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